

## OVERVIEW

### **Performance Audit on Implementation of Industrial Disputes Act, 1947 and Contract Labour (Regulation and Abolition) Act, 1970**

The Industrial Dispute Act 1947 was enacted by the Parliament in April 1947 to provide a machinery and forum for expeditious settlement of industrial disputes and maintenance of industrial harmony. The Contract Labour (Regulation and Abolition) Act was also enacted with the objective of preventing the exploitation of contract labour, to regulate the employment of contract labour in certain establishments and to provide for its abolition in certain circumstances.

Performance audit of the implementation of the Industrial Disputes Act during the six year period from 2001 to 2006 revealed that the Works Committees and Boards of Conciliation which were preventive mechanisms to maintain industrial peace and goodwill and reduce the occurrence of industrial disputes, were not constituted.

While Conciliation Officers had disposed off 96 *per cent* of cases placed before them, the success rate of resolving or settling the disputes was only 9 to 11 *per cent*. The conciliation machinery had failed to resolve the disputes which ended in litigation. Conciliation was seen to have failed in 60 *per cent* of the cases test checked, since the management did not turn up for the proceedings even though the Conciliation Officers were empowered to enforce the attendance of any person relevant to the industrial dispute.

There was delay (on an average of 18 days) in commencement of the conciliation proceedings by the Conciliation Officers. Similarly, of the 2036 cases test checked, delay in completion of conciliation proceedings beyond the prescribed period of 14 days was noticed in 82 *per cent* of the cases, including 30 *per cent* of the cases where delay beyond 90 days was noticed.

The number of cases pending at the adjudication level was 24,008 at the end of December 2005. Of the 24,208 cases, 52 *per cent* were pending for more than two years, including 28 *per cent* that were pending for more than five years.

There were delays in publication and implementation of awards. Almost 95 *per cent* of the awards were published after the time prescribed under the Act. Of the 7,162 awards to be implemented during 2001-06, the department could implement only 6.50 *per cent* of the awards. The department also did not monitor

implementation of 34 *per cent* of the awards where the workmen did not insist upon implementation.

The status of enforcement of awards and recovery of dues from the employers of workmen was far from satisfactory. Out of 5,548 recovery certificates aggregating Rs. 133 crore issued during 1998 to 2006, recoveries in 1,697 cases amounting to Rs. 46 crore were pending as of December 2006.

The enforcement of Contract Labour Act was weak. The department did not carry out periodical verification of establishments/contractors to ensure that they had been registered and had obtained licenses under Contract Labour Act. Inspections were not conducted in a planned manner and follow up action on inspection reports was not adequate to ensure prevention of exploitation of contract labour. The functioning of the State Advisory Contract Labour Board was ineffective.

*(Chapter-I)*

### **Information Technology Audit of the Directorate of Education**

The computerization of the Directorate of Education was conceptualised way back in 1983 but the work could only be started three years later in September 1986. The Directorate got six Applications developed during 1986 to 2002 .The approach of the Directorate towards computerisation was ad hoc, as these applications could not be stabilized and three applications were for the same purpose.

MIS in present use is a web based system which had been implemented starting with a simple Employee Module at the beginning in 2002-03 and gradually extended to 26 modules and sub modules implemented at different points of time. All the schools, District offices, Regional offices, Zonal offices of the Directorate are using MIS through the website. Audit evaluation of the performance of the system was conducted for the years 2002-03 to 2005-06.

The application development process, planning, security and testing were poorly managed. Technical feasibility study was not conducted. Audit trail was not incorporated in the application. Input controls were inadequate and issues relating to authorisation were not adequately addressed resulting in incompleteness of the database. Inadequacy of the implementation of the business rules resulted in irregular payments.

*(Chapter-II)*

## **Performance Audit of Water Management System in Delhi**

Water is a prime national resource and a basic human need. High rate of urbanization and population growth in Delhi have laid tremendous stress on potable water supply system. Delhi Jal Board, constituted under Delhi Jal Board Act 1998, is responsible for supply and distribution of potable water to the inhabitants of National Capital Territory of Delhi. For the purpose, DJB had undertaken various projects during Tenth Five Year Plan (2002-2007) to augment water production in Delhi.

The performance audit revealed that DJB has not been able to keep pace with the rapid urbanization of Delhi as there was shortage of 270 Million Gallon Per Day (MGD) of water against the projected requirement of 1050 MGD. The water supply infrastructure has failed to match the demand. Despite Government efforts to improve production of potable water, the demand and supply gap persists in the range of about 25 to 34 *per cent*. Against the requirement of producing additional quantity of 400 MGD during Tenth Plan to fully meet the projected requirement, DJB could increase production by only 130 MGD of water during this period. DJB had planned a number of projects for augmentation of water supply, but most of these projects have fallen behind schedule thereby compounding the problem of water shortage in the city.

The plan for equitable distribution of water was affected due to delays in construction of under ground reservoirs and booster pumping stations in West, North-West and South-West Delhi. Consequently, rationalization of water distribution could not be ensured.

Distribution losses in Delhi were as high as 40 *per cent* of total water supply which was significantly more than the acceptable norms of 15 *per cent* prescribed by the Ministry of Urban Development. The system of leakage detection and management was inefficient. Delayed repair of leaks in transmission and distribution lines in 2006-07 alone led to an estimated loss of 84 million gallons of water.

The overall metering situation in Delhi was poor. Large number of consumers (41 *per cent*) was being supplied water either without meter or with meter that have become defective. DJB sustained a loss of Rs. 173.77 crore during 2003-07 due to its failure to rectify meters timely.

About 56 *per cent* of the total water supplied in Delhi during last five years did not fetch any revenue resulting in loss of Rs. 1990.54 crore. The percentage of non-revenue water also increased from 53 *per cent* in 2002-03 to 65 *per cent* in 2006-07. A significant amount of Rs. 368 crore was in arrears for collection against

outstanding bills. The DJB did not enforce action against defaulting customers as per provision laid down in the DJB Act 1998.

Monitoring of water quality by DJB was inadequate. There was no mechanism in place that could assure DJB about the purity and effectiveness of the chemicals (Alum/Poly-Aluminum Chloride) before these were actually used in the treatment process of water. Audit scrutiny disclosed that the number of water samples found unsatisfactory increased significantly from 0.73 *per cent* in 2002-03 to 1.88 *per cent* in 2006-07. Scrutiny of records in the office of Director, Quality Control also showed that out of 2090 unsatisfactory samples reported during 2006-07, no action taken reports were received in the Directorate in respect of 1874 (90 *per cent*) unsatisfactory samples as of March 2007.

Monitoring of the scheme for rain water harvesting with DJB's financial assistance was not done effectively. The parties receiving financial assistance under the scheme did not submit maintenance reports to DJB in 90 *per cent* of the cases. DJB also did not carry out regular inspections of the rain water harvesting systems to ensure that the systems were properly maintained by the beneficiaries.

The responses received from the resident welfare associations showed high level of dissatisfaction in the services provided by the DJB, both in terms of quality and quantity of water supplied.

*(Chapter-III)*